

# MENTAL HEALTH INSURANCE IN INDIA AND OTHER COUNTRIES: A COMPARATIVE PERSPECTIVE

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## ABSTRACT

Improved health and health coverage are of vital concern to the welfare of Indian society. The nascent health insurance system of a country is experiencing an explosive expansion and various models of schemes but lacking mental health coverage. This article discusses the effect of different systems of health coverage and insurance and develops a system of health coverage in India.

## INTRODUCTION

"Every person with a mental disease will be treated as equal to persons with a physical illness in the provision of health care," states the Mental Health Care Act of 2017 in India. Section 21(4) states that "any insurer shall provide for the treatment of mental illness on the same basis as is provided for the treatment of physical sickness."<sup>i</sup> About 4 years have gone, but insurers still don't have a mental health patient policy. One of the reasons for this delay has been attributed to a lack of mortality and morbidity data. The government has been relying on improving the infrastructure and the delivery side to provide Universal Health Care. When government-sponsored health insurance (HI) systems were introduced in 2007, the union government and state governments made a significant advancement in this regard.

At the level of the union government, one of these programs was the Rashtriya Swasthya Bima Yojana, currently known as the Rashtriya Swasthya Suraksha Yojana. State-level programs included the Rajiv Gandhi Jeevandayee Arogya Yojna in Maharashtra, the Chief Minister's Comprehensive HI Program in Tamil Nadu<sup>ii</sup>, and the Rajiv Aarogyasri Plan in Andhra Pradesh. In India, out-of-pocket (OOP) expenses are pushing thousands of families into poverty. Spending on prescription drugs is disproportionately high among the poor. Health programs have not been able to stop this slide since they do not cover the majority of the costs associated with outdoor treatment.<sup>iii</sup> The situation is even worse in terms of mental health because poverty is one of the risk factors for mental illnesses. The majority of mental health patients receive outpatient treatment. The majority of patients rely heavily on OOP spending to cover the cost of their care. The majority of HI programs do not cover mental illness and may even bar those who suffer from it from receiving benefits for the treatment of physical illnesses.

However thanks to the National Mental Health Programme, the public infrastructure for providing mental health care has been reinforced, and most state governments now guarantee that free medicine is available.<sup>iv</sup>

Let's examine the present HI programs that are supported by the government critically. The flagship program of the Indian government, Ayushman Bharat, provides insurance coverage up to Rs. 5 lakhs. It provides coverage for mental illness for the first time. It includes the use of psychoactive substances and offers 17 packages for mental health conditions. It includes ECT and the majority of blood tests. Insurance benefits, however, only apply to public sector

hospitals and not to private ones; whereas, for other medical conditions, they also cover care received in private facilities.<sup>v</sup> The Odisha government's Biju Swasthya Kalyan Yojana gives 5 lakhs for male members and 7 lakhs for female members at all government and empanelled hospitals free medical care. The state government, not the insurance companies, handles reimbursement. It pays for the expense of treating mental conditions in public hospitals.<sup>vi</sup>

According to the Mental Health Act of 2017, the Insurance Regulatory and Development Authority of India (IRDAI) 2018 ordered Indian insurance firms to cover mental illnesses. According to a Public Interest Litigation attorney Gaurav Kumar Bansal filed with the Supreme Court, the corporations were breaking the 2017 Act's provisions. A three-judge panel chaired by Justice R. F. Nariman requested responses from the IRDAI and the government. By October 2020, the IRDAI has mandated all insurance providers offer mental illness coverage.

## **GLOBAL PERSPECTIVE**

The nations with high human development indices have already formulated a robust mental health care system and thus can give us a clue regarding how to go about it.

### **USA**

American federal health insurance programs include Medicaid and Medicare<sup>vii</sup>. Regardless of age, Persons with low income are eligible for Medicaid. Inpatient and partial hospitalization, residential care, outpatient mental health services, non-emergency transportation, case management, peer support services, psychiatric rehabilitation, crisis for children intervention, prescription drugs, long-term care, and early periodic screening, diagnosis, and treatment services are all generally covered by Medicaid's mental health services. Other programs including Assertive Community Treatment (ACT), Multisystemic Therapy, In-Home and Family Support Services, and Psychosocial Rehabilitation may also be covered by Medicaid plans.

## **EXCLUSION OF MENTAL HEALTH COVERAGE**

In the past, many health plans provided different coverage for mental health services than for other medical and surgical services. The Mental Health Parity Act restricts some of these differences, but the law sunsets, so that it does not apply to services furnished after 2004<sup>viii</sup>. Questions have been raised about whether it has been effective<sup>ix</sup>

A state and federal health insurance program called the Children's Health Insurance Program (CHIP)<sup>x</sup> is available to children under the age of 19 whose families make enough to qualify for Medicaid but not enough to afford private insurance. Inpatient hospitalization, outpatient mental health therapy, emergency care, and prescription medicines are all covered under CHIP for mental health services.

Only former military personnel are eligible for the government-run health insurance programs TRICARE<sup>xi</sup> and VA Health Care. These programs provide emergency care, prescription medicines, inpatient hospitalization for 30 to 45 days per admission or year, partial hospitalization for 60 days per year, outpatient mental health treatments, and psychiatric residential therapy for children and adolescents.

## **UNION OF KINGDOMS**

The National Health System (NHS)<sup>xii</sup>, which is a publicly sponsored program for all UK citizens, provides healthcare services. Although the NHS offers free mental health care, in some circumstances a medical practitioner's referral is necessary. The following services are provided: drug and alcohol services, eating disorder services, children's mental health services, and psychological treatment and counseling. It covers every facet of mental health care, such as advocacy, diagnosis, evaluation, rehabilitation, care, and support for family members. The country spends about 10% of its GDP on healthcare. Just 10.5% of British citizens choose private health insurance. When it comes to private insurance, the majority of insurers will define "mental health"<sup>xiii</sup> to encompass all factors, including stress, postpartum depression, ADHD, eating disorders, addictions, ME, tiredness, sadness, and anxiety. Typically, questions about a person's diagnosis, symptoms, and course of therapy are asked.

## **PUBLIC AND PRIVATE INSURANCE COMPANIES IN INDIA**

Private insurers did not attempt to provide coverage for a mental illness till the end of 2019. Surprisingly, the COVID-19 lockout in March 2020 transformed the situation. National Insurance Company Limited<sup>xiv</sup> and Oriental Insurance Company Limited<sup>xv</sup>, two public insurance firms, have included mental illness in their policies, which solely cover hospitalization-related indemnification of the hospital or the insurer. Any counseling, cognitive behavioral treatment, or psychotherapy that does not call for hospitalization is specifically listed as being exempt from their policy in their policy booklet. If they exist at the time of policy enrolment, Alzheimer's disease, dementia in Alzheimer's disease, and Parkinson's disease are all permanently excluded by National Insurance Company Ltd. Yet even after a thorough search.

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As of October 2021, HDFC ERGO<sup>xvi</sup> is offering insurance plans for mental health care, while Aditya Birla Health Insurance<sup>xvii</sup> is covering counseling and consultation fees in addition to hospital expenditures. Mental diseases are covered by Manipal Cigna Health Insurance's comprehensive indemnity plan, which only provides insurance in the event of hospitalization. Treatment for mental disorders is covered by Max Bupa Health's insurance company's Health Recharge Insurance<sup>xviii</sup> plan up to the sum insured and, in some circumstances, a sub-limit. As of October 2021, HDFC ERGO is offering insurance plans for mental health care, while Aditya Birla Health Insurance is covering counseling and consultation fees in addition to hospital expenditures. Mental diseases are covered by Manipal Cigna Health Insurance in India.

## INDIAN MENTAL HEALTH INSURANCE LIMITATIONS

India's insurers are more used to developing policies that include hospitalization when an illness episode occurs. Yet, certain mental health issues are treated as outpatients, while others necessitate a few weeks to a few months in the hospital. Patients must continue taking their medications for a long period even after being discharged, which places a financial strain on the families. There may be more than one diagnosis for many mental diseases. The waiting time after which some mental diseases are covered has to be made more explicit.

The waiting time after which some mental diseases are covered has to be made more explicit. There are several legal actions against insurance providers who deny claims of mental illness. On April 20, 2021, a complaint alleging insurance discrimination between physical and mental diseases was made against Max Bupa. A 35-lakh rupee insurance premium had been paid by the petitioner<sup>xix</sup>. But he was advised that there is a ceiling of up to Rs. 50,000 in case he needs to claim insurance for mental illness.

## CONCLUSION

The MHCA of 2017 is a positive start toward transforming health insurance and providing both physical and mental sickness equal weight. Even yet, there is a considerable disparity in mental health insurance coverage between industrialized and poor countries. The growth of the mental health insurance sector in India is hampered by several problems. In 2020, India will have a population of over 1 billion people, and more than 150 million of them will need mental health treatments. In India, the pre-COVID-19 condition was already dire, and this epidemic has seriously endangered mental health. Hence, COVID-19 has provided a chance to demand adequate mental health coverage from Indian insurance companies, which would go a long way in guaranteeing

## ENDNOTES

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